(a) whether it is a fact that Insurance companies in western countries normally charge double the rate of premium from smokers as compared to non-smokers; and

(b) if so, whether there is any such proposal under Government's consideration to make a similar provision in the rules of Insurance Companies and if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASEKHARA MURTHY): (a) and (b). The Life Insurance Corporation of India have reported that insurance companies in some countries allow a nominal rebate in the premium rates, particularly in Endowment Assurance Plans, to non-smokers. No such proposal has been reported to be under consideration of the Life Insurance Corporation of India.

Agents of Alpa Sanchay

3744. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether United Bank of India has not yet formulated any sound policy to consider applications from agents of Alpa Sanchay (Mini-Deposit Scheme) regarding their transfers from one branch of the bank to another branch to facilitate growth of deposits by contributories/depositors;

(b) whether the bank is not contemplating any positive action to accede to the repeated requests from such agents;

(c) the details of representations received during the last six months from agents by the bank in this regard;

(d) whether United Bank of India or Government are not interested to allow positive circumstances for the agents to mobilise more deposits; and

(e) if so, the facts and the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASEKHARA MURTHY): (a) to (e). United Bank of India has reported that the Deposit Collectors under its Mini Deposit (Alpa Sanchay) Scheme are not regular employees of the bank and work only as agents on commission basis. In view of this, the question of formulation of any policy for their transfer from one branch to another does not arise. The bank has further reported that it received a request from one such agent for transfer of her agency from Mamudpur branch to Kali Temple Road Branch in Calcutta but the same could not be considered favourably in view of the position stated above.

Vicious Circle of High Inflation

3745. SHRI INDER KUMAR GUJRAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the reforms introduced in the last few years have landed Government in a vicious circle of high inflation, stagnant economic growth and low revenue thus hastening the advance to the debt trap; and

(b) the steps Government are contemplating to reverse the advance to the debt trap?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASEKHARA MURTHY): (a) and (b). The economic reforms initiated since 1991 have helped in overcoming the difficult balance of payment situation, brought inflation under control and restored confidence in the Indian economy.

Government is compelled to borrow whenever there is a gap between total expenditure and revenue receipts plus non-debt creating capital receipts. An ideal situation would be to meet the entire expenditure of the Government totally out of its revenue and non-debt creating receipts. However, becuase of various reasons Govt. expenditure has been going up at a much faster pace than revenues. In order to contain the fiscal deficit, it has been decided that Govt. should not finance its deficits by creating money through unlimited recourse to issue of ad-hoc treasury bills. Efforts are also being made to contain expenditure and maximum receipts.

As far as external debt is concerned, the growth in aggregate debt of the country has been coming down over the past few years. It grew by $ 8.1 billion during 1990-91, by an average of $ 3.1 billion per annum during 1991-92 and 1992-93, and during 1993-94 the growth in